



# County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION  
LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

**WILLIAM T FUJIOKA**  
Chief Executive Officer

December 4, 2007

To: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name of the Chief Executive Officer.

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

## COUNTERFEIT GOODS STATUS REPORT

On July 3, 2007, your Board instructed the Chief Executive Office (CEO) to convene a Task Force of County Departments involved in land use, code enforcement, nuisance abatement, and business license activities, including, but not limited to the Sheriff, Regional Planning, Public Works, Treasurer and Tax Collector, Health Services, Mental Health, Fire, the District Attorney and County Counsel, for the purpose of examining the County's ability to conduct enforcement activities against the manufacture, distribution, and sale of counterfeit goods in Los Angeles County. The Task Force was further instructed to consult on this matter with appropriate officials from the Cities of Los Angeles and New York and to report back with a proposed enforcement program, including any recommended regulatory or statutory changes.

On September 4, 2007, my Office provided a status report indicating that there had been several meetings with the Third District, the District Attorney, Bureau of Fraud and Corruption, County Counsel, Sheriff, and the recording and motion picture industries. The status report also outlined next steps and advised your Board that we would provide a report on December 3, 2007 with an enforcement program, and recommended regulatory and statutory changes.

### Los Angeles Anti-Piracy Task Force

On October 2, 2007, the Task Force met, including staff from:

- County of Los Angeles Offices of Supervisor Yaroslavsky, the District Attorney, Chief Executive Office, County Counsel, and Probation.
- City of Los Angeles Offices of the Mayor, Councilwoman Jan Perry, Councilwoman Wendy Greuel, the City Attorney, and the Los Angeles Police Department.

Also in attendance were representatives of the trademark owners, including the Motion Picture Association of America, Record Industry Association of America, Universal Music, Oakley, and Rolex, as well as the Los Angeles Fashion District, the United States Chamber of Commerce, and the Federal Bureau of Investigation. The meeting allowed all parties to provide updates on their current efforts.

Additionally, the New York Trademark Task Force presented their program, providing background regarding their structure, operations, and nuisance abatement statutes. Under New York's Administrative Code (Title 7) public nuisance is defined and sets forth procedures for abatement allowing prosecutors to obtain injunctions and shut down buildings to abate counterfeiting operations on real properties.

### **Next Steps**

- Develop joint protocols and programs to address civil and criminal enforcement against counterfeit goods activities in Los Angeles County through improved cooperation and coordination of the law enforcement agencies, prosecutors, and the affected industries.
- Develop a City/County public education program including other key stakeholders such as the school districts.
- Organize a forum with judges to discuss the impact of counterfeit goods and raise awareness regarding this issue.

### **Nuisance Abatement Ordinance**

Our September 4, 2007, status report indicated that there would be analysis and review of the feasibility and, if found appropriate, drafting of a comprehensive nuisance abatement ordinance which would declare real property being used for the manufacture, distribution, and sale of counterfeit goods or any related unlawful business occurring on a property in the unincorporated areas of Los Angeles County, a nuisance and subject to civil penalties and abatement.

The County has no specific nuisance abatement ordinance that targets premises used for manufacture, distribution, and sale of counterfeit goods. Therefore, County Counsel is currently preparing a proposed "Los Angeles County Counterfeit Goods Nuisance Abatement Ordinance" for presentation to the Board. Although the ordinance is subject to further refinement and revision, as currently contemplated, it will contain legislative findings and conclusions by the Board of Supervisors establishing that every building or place in the unincorporated County used for the purpose of manufacturing, selling, or possessing for sale, any counterfeit good or item constitutes a public nuisance. The ordinance will authorize the District Attorney and County Counsel to commence civil actions to temporarily and permanently enjoin the nuisance conditions and the persons involved from further conducting, maintaining, or permitting the identified activities at the involved location. The ordinance will also allow the County to initiate civil proceedings to recover civil penalties from any person conducting, maintaining, or permitting the defined public nuisance to occur, including the owner of the building or place. In appropriate circumstances, the ordinance will allow the County to seek appointment of a temporary receiver to manage and operate the involved place or building in conformance with any order or judgment issued by the courts.

### **Next Step**

Finalize the ordinance for Board approval and implementation by the appropriate County departments.

### **State Legislation**

Our status report indicated that there would be consideration and, if found appropriate, drafting of legislation modeled after the statewide New York program that would combat counterfeit goods activities which would include authorization to initiate nuisance abatement and unlawful detainer actions. Such legislation would also consider, and if appropriate, increase criminal penalties for repeat offenders. In the interim, where circumstances warrant, the County would utilize the California Unfair Competition Law to combat illegal businesses that engage in the sale of counterfeit goods.

There are drug and red light abatement statutes under the Health and Safety Code and Penal Code that have procedures for the abatement of repeated and continuous criminal activities which cause a public nuisance (drugs, prostitution, and gambling), but they are narrowly tailored and do not include any provisions for piracy and counterfeiting. Therefore, District Attorney staff is currently drafting a proposal for an addition to the California's Business and Professions Code which lays out a comprehensive set of nuisance abatement and unlawful detainer remedies for businesses and locations involved in the manufacture, sale, or possession of counterfeit goods. The system envisioned is similar to the remedies used successfully in New York City and is patterned on equivalent remedies now in use in the narcotics abatement area in California.

### **Next Steps**

- Finalize proposed addition to the California's Business and Professions Code after appropriate review by the District Attorney, County Counsel, and the CEO, Intergovernmental Relations Branch.
- Seek legislative sponsorship of the Code amendment.

### **Nuisance Abatement Teams (NATs)**

The September 4, 2007 status report indicated that there would be an examination of the use of NATs to enforce the County building, fire, health and zoning laws on properties that harbor counterfeit goods in the unincorporated areas of Los Angeles County on a case-by-case basis. The NAT departments that would conceivably be involved include the Sheriff, District Attorney, Public Works, Regional Planning, Public Health, and Fire. Enactment of the ordinance and State legislation identified above will provide the NATs potent additional tools to combat counterfeit activities on the real properties.

**Next Step**

Prepare protocols and determine fiscal requirements, as appropriate, of the NAT departments for enforcement of the counterfeit goods program.

We anticipate that a status report and ordinance will be submitted to your Board by February 2008. The report will provide an update on the next steps identified above. If you have any questions regarding the status report, please feel free to contact me or Lari Sheehan at (213) 893-2477, or via e-mail at [lsheehan@ceo.lacounty.gov](mailto:lsheehan@ceo.lacounty.gov)

WTF:LS  
DSP:ib

- c: Executive Officer, Board of Supervisors
  - County Counsel
  - District Attorney
  - Sheriff
  - Fire Chief
  - Chief Probation Officer
  - Director and Chief Medical Officer of Health Services
  - Director and Health Officer of Public Health
  - Director of Mental Health
  - Director of Planning
  - Director of Public Works
  - Treasurer and Tax Collector
  - Mayor of the City of Los Angeles
  - Los Angeles City Attorney
  - Los Angeles Councilwoman Jan Perry
  - Los Angeles Councilwoman Wendy Greuel
  - Chief, Los Angeles Police Department
  - U.S. Chamber of Commerce
  - Federal Bureau of Investigation
  - President and CEO, Los Angeles County Economic Development Corporation
  - Recording Industry Association of America
  - Motion Picture Association of America
  - Los Angeles Fashion District